

SUBCOMMITTEE NO. 4

Agenda

Michael J. Machado, Chair
Tom Harman
Christine Kehoe



Part B
Wednesday, June 4, 2008
9:30 a.m.
Room 4203

(Consultant - Keely Martin Bosler)

<u>Item</u>	<u>Department</u>	<u>Page</u>
5225	California Department of Corrections and Rehabilitation	2
	Corrections Population Reform.....	2
	Adult Population Estimate	4
	Division of Correctional Health Care Services	13
	Capital Outlay	14
	Other Issues	24
	Receiver for Prison Medical Care.....	25
0250	Judicial Branch.....	27
	Attachment A	31

State Administration—General Government—Judiciary—Transportation

Pursuant to the Americans with Disabilities Act, individuals who, because of a disability, need special assistance to attend or participate in a Senate Committee hearing, or in connection with other Senate services, may request assistance at the Senate Rules Committee, 1020 N Street, Suite 255 or by calling 916-324-9335. Requests should be made one week in advance whenever possible.

5225 California Department of Corrections and Rehabilitation

Corrections Population Reform

Previous Subcommittee Meeting. As discussed at the March 12 hearing of this Subcommittee, the Governor's January budget proposal contained two population reform proposals—20-month early release and summary parole. The Governor's January budget proposal assumed \$354 million in savings in the budget year from implementing these reform proposals. Collectively, these proposals would reduce the average daily population in prison by approximately 35,000. These proposals would also reduce the parole population.

The Subcommittee has also discussed numerous other potential reforms to the corrections population at previous hearings. The Subcommittee also discussed how California's system of parole is different from nearly every other state, in that it does not allow for some inmates to be directly discharged from prison without a parole term. In addition to the Governor's population reform proposals, the Subcommittee has discussed a system of earned discharge from parole, reform to the good-time credits earned by offenders, parole realignment, and others.

May Revision. The Governor has pulled back the 20-month early release proposal as part of the May Revision and assumed additional savings related to implementing summary parole. This action required the Governor to restore \$256.4 million in the May Revision to account for the reduced savings from not pursuing this policy.

Furthermore, the Governor's May Revision assumes revised savings related to the summary parole proposal. Specifically, the department assumes that this policy will result in \$110 million in additional savings above what was assumed in the Governor's January budget. These savings are offset by the erosion in savings (\$34.3 million) resulting from the declining population estimate contained in the May Revision (discussed in more detail in the next item of this agenda) and delays in implementing the proposal. Therefore, the May Revision assumes additional savings of \$75.7 million if the summary parole proposal is implemented. This makes total savings related to the summary parole proposal \$173.6 million in the budget year. These savings would grow to \$268.3 in 2009-10.

LAO Adds Options. The LAO has added two additional population reduction proposals to its alternative budget. These options include (1) increasing work-release credits for inmates that complete rehabilitation programs, and (2) early release of aging inmates. The LAO estimates that these options would generate \$20 million and \$30 million in savings, respectively.

Staff Comments. Staff finds that the additional savings identified by the Governor in the May Revision seems reasonable if a policy of summary parole is implemented (the additional savings are summarized in the table below). However, staff finds that over half of the additional savings is related to discontinuing contracts for community-based parolee services, including residential drug treatment, mental health services, and other residential services. Staff finds that there

would continue to be a need for these services in the community even if a policy of summary parole was adopted.

May Revision: Additional Savings Related to Summary Parole

	Amount (In Millions)
Contract Jail Beds	
Local Assistance - Reimbursements to locals for holding parole violators.	\$30.6
Contract Jail Beds	7.7
<i>Subtotal</i>	\$38.3
Parole Program Savings	
Various Parolee Programs: Residential, Employment, Others	\$20.0
In-custody Drug Treatment Program: Residential Drug Treatment	4.4
Parolee Service Centers: Residential Services	12.5
Community Based Coalition: Residential Services in Los Angeles	8.1
Parolee Outpatient Clinics: Mental Health Services	6.9
<i>Subtotal</i>	\$51.9
Other Operational Savings	
Board of Parole Hearings - <i>Valdivia</i> Workload	\$10.5
Case Records - <i>Valdivia</i> Workload	4.2
Parole Academy Operations	5.0
<i>Subtotal</i>	\$19.7
Total	\$109.9

Under summary parole, offenders cannot be sent back to prison unless they are convicted of a new felony offense. Therefore, offenders on summary parole that are arrested for a new misdemeanor offense would have to be dealt with in the community and many would demand drug treatment or other residential services to address their needs. This would place increased strains on the existing network of community treatment and residential services that is already inadequate.

Furthermore, staff finds that many serious and violent offenders have a need for drug treatment and residential services while on parole. The department could reduce recidivism among this population and improve public safety if it directed more offenders that have committed serious and violent offenses into community treatment programs when paroled. Furthermore, the Expert Panel recommended that services be targeted at the inmates with the highest risk to re-offend, which in many cases are offenders that have committed serious and violent offenses.

As discussed at several Subcommittee hearings, there are numerous options for reform that would reduce the prison population and minimize the impact on public safety. These reforms also have the potential to improve outcomes of offenders and improve public safety by keeping offenders in treatment and out of prison. In order to achieve sizeable savings in the corrections budget, a menu of these reforms will need to be considered and ultimately adopted.

Staff Recommendation. Staff recommends that the Subcommittee hold open the Governor's summary parole proposal and budget savings.

Adult Population Estimate

Previous Subcommittee Meeting. At the May 5 meeting of the Subcommittee, the department's population estimate was discussed. At this meeting, the estimate was held open pending the revisions anticipated in the Governor's May Revision. At this meeting, the Subcommittee also adopted budget bill language, recommended by the LAO, to ensure continued progress in improving the population estimate process.

Starting in 2007, the department started to reform its population estimate process to make it more reflective of the actual costs of the state prison and parole system. So far this has included major improvements in the information provided to the Legislature. However, more needs to be done to improve the workload information underpinning many of the assumptions that continue to be used in the population estimate.

Adult Inmate Population. The Governor's January budget proposal estimated that the average daily inmate population would be 177,021 in the budget year. The May Revision estimate assumes that the average daily inmate population should be revised downward to 170,641 inmates for the budget year. The May Revision also assumes that the average daily inmate population in the current year was overestimated by about 2,107 in January. The updated population estimate assumes that year-over-year the inmate population will decline by 1 percent in the budget year.

Adult Parole Population. The Governor's January budget proposal estimated that the average daily parolee population would be 133,061 in the budget year. The May Revision estimate assumes that the average daily parolee population should be revised downward to 122,872 parolees in the budget year. The May Revision also assumes that the average daily parolee population in the current year was overestimated by about 2,887 in January. The updated parolee estimate assumes that year-over-year the parolee population will decline by 2.8 percent in the budget year.

Population Estimate – Fiscal Impact. The Governor's January budget proposal contained \$77 million General Fund to fund the population estimate in the budget year. The Governor's January proposal also contained an additional \$14 million in the current year.

The May Revision estimate reduces the budget year funding by \$88 million and the current year funding by \$31.4 million due to reduced population estimates in the current and budget years.

In summary, the total decrease in funding related to the population estimate is \$11.4 million in the budget year and \$17.4 million in the current year.

There are also other items considered adult policy adjustments and local assistance that are included in the population estimate package. These proposals are impacted by changes in the inmate and parolee population, but support distinct changes in department policy and subventions to local government for costs associated with the state prison and parolee population. These totals include increased expenditures \$53.6 million in the budget year and \$6.8 million in the current year.

Total funding for the adult workload budget, adult policy adjustments, and local assistance is an increase of \$42 million in the budget year and a decline of \$10.6 million in the current year. These adjustments are detailed in Attachment A of this report.

Population Reform Proposals. As discussed at the March 12 meeting of this Subcommittee, the Governor's January budget proposal contained two population reform proposals—20-month early release and summary parole. These population reform proposals were not reflected in the department's population estimate. However, the Governor's January budget proposal did assume that there would be \$354 million in savings in the budget year from implementing these reform proposals.

The Governor has pulled back the 20-month early release proposal as part of the May Revision and assumed additional savings related to implementing summary parole. However, the Governor has not incorporated these savings or increased expenditures in the population estimate. The Governor has continued to adjust the savings and increased expenditures related to these reform proposals separate from the population estimate.

LAO Concerns with Revised Population Estimate. The population estimate included in the Governor's May Revision projects a decline over what was projected in January. These reductions are largely due to lower admissions from the courts, as well as fewer parole violators being returned to prison. The LAO is concerned that the declines in new court admissions will not continue consistent with recent trends assumed in the Governor's May Revision. Therefore, the LAO proposes to increase funding for the department by \$20.4 million in the budget year, assuming about half the reduction projected by the department.

Staff Comments. Staff finds that some progress has been made in improving the population estimate. However, staff finds that more needs to be done to make the formulas that drive the population estimate process more reflective of actual department costs. The department has agreed to continue to work on these issues after the budget has passed.

Staff finds that many of the components of the population estimate will be impacted by actions being considered by the Legislature to reduce the prison and parole populations. Staff finds that it would be appropriate for the population estimate to be sent to conference committee so any changes can be made to reflect policy changes that reduce the prison and parole populations.

Staff Recommendation. Staff recommends that the Subcommittee take the following actions:

- Approve the population estimate included in Attachment A less \$1,000 to ensure that the population estimate is sent to conference.

1. Out-of-State Beds

Previous Subcommittee Meeting. At the May 5 meeting of the Subcommittee, testimony was heard on the department's plans to activate additional contracts for beds in private prisons located out-of-state. Chapter 7, Statutes of 2007 (AB 900, Solorio) authorizes the administration to pursue contracts for up to 8,000 beds out-of-state until July 2011 as a temporary measure to relieve overcrowding in state prison facilities.

As of the end of May 2008, the department has transferred 4,020 inmates to out-of-state facilities. In the budget year, the department plans to activate 3,000 additional beds in a private prison in Eloy, Arizona.

The department indicates that the out-of-state program, along with natural population declines has enabled the department to deactivate 4,884 beds as of the end of May 2008. This has enabled the department to return gyms and dayrooms to their intended use and provide marginal relief in reducing the level of overcrowding in some facilities. The department indicates that the beds in the private prisons offer additional celled capacity that is not currently available in the state system. The majority of the inmates transferred out-of-state have been Level III inmates. The department prefers to house these inmates in celled housing, but because of the overcrowding in the state system many of these inmates had been housed in dormitory housing. Therefore, the department indicates that the out-of-state beds provide the right kind of beds for this inmate population.

Governor's Budget and May Revision. The population estimate includes \$11 million in additional funding to support the out-of-state beds in the budget year. The majority of this funding is related to the activation of a new 3000-bed private prison facility in Eloy, Arizona. It also includes additional funding related to additional staffing requested to manage the out-of-state contracts, transport inmates and inmate property, and conduct pre-transfer screening.

A Finance Letter (dated May 13, 2008) also includes a budget proposal to add \$1.9 million General Fund and 21.5 positions to support the activation of the additional 3,000 beds in a private prison in Eloy, Arizona in the budget year. The additional staffing includes a warden to oversee the program.

The positions requested in the Governor's January budget proposal and May Revision request are detailed in the chart below. The chart also includes information about the base budget staffing for the out-of-state program.

CDCR Staffing: Out of State Program	2007-08	2008-09		
	Base	Jan. Pop	May Revise	Total
	Positions	Estimate	BCP	Positions
		Positions	Positions	
Executive Staff	3.0	1.0	1.0	5.0
Business Services	9.0	1.0	0.0	10.0
Transportation	6.0	0.0	0.0	6.0
Field Team	17.6	8.0	8.0	33.6
Health Care Services	9.0	2.0	0.0	11.0
Case Records	14.0	2.0	1.0	17.0
Administrative Support	7.0	3.0	5.5	15.5
Wasco State Prison	1.0	0.0	0.0	1.0
Classification Services	3.0	3.1	0.0	6.1
Accounting	2.0	2.0	0.0	4.0
Contracts	2.4	0.0	0.0	2.4
Legal Affairs	1.0	0.0	1.0	2.0
Information Technology	1.0	1.0	0.0	2.0
Human Resources	2.0	0.0	0.0	2.0
Division of Addiction and Recovery Services	0.0	0.0	1.0	1.0
Office of Correctional Education	0.0	0.0	1.0	1.0
Inmate Appeals	0.0	2.1	3.0	5.1
Total	78.0	25.2	21.5	124.7

LAO Recommendation. The LAO recommends rejecting the Finance Letter (dated May 13, 2008) that requests \$1.9 million to support 21.5 additional positions to support the activation of another 3,000 beds in a private prison in Eloy, Arizona. The LAO notes that given the current General Fund situation, it is not clear that the additional staffing is a high state priority. Furthermore, the LAO does not believe the warden position is justified nor the property classification for an administrative position at CDCR headquarters. The LAO also suggests that existing field team members could be converted to rehabilitative program positions to incorporate the review of these programs into the department's regular monitoring.

Staff Comments. Staff finds that the out-of-state beds are marginally more expensive than activating additional beds within CDCR institutions, especially given the additional CDCR staff required to travel and monitor these contracts and ensure that the contractors comply with CDCR

rules and regulations. The department has modeled the oversight staffing for the out-of-state contracts on the oversight staffing required for the in-state private prison facilities. However, the out-of-state facilities are slightly different because they house a higher level of inmate (mainly Level III inmates) that on average has a longer length of stay. The population housed in the out-of-state facilities is also more likely to have disciplinary issues that require oversight by CDCR staff to ensure due process rights of the inmate.

Staff Recommendation. Staff recommends that the Subcommittee take the following actions:

- Approve the Finance Letter proposal, but make the positions 3-year limited term since that is when the out-of-state program is scheduled to expire in statute.

2. In-Custody Drug Treatment Program Beds—Parole Violators

Previous Subcommittee Meeting. At the April 28 meeting of the Subcommittee, testimony was heard regarding a budget proposal to add \$1.3 million General Fund to manage an In-Custody Drug Treatment Program ordered by the *Valdivia* lawsuit. This program requires CDCR to establish 1,800 community-based treatment beds for parolees that violate their parole conditions due to a drug or alcohol dependency. The court ordered that these beds be established by April 2008. The department plans to establish 850 community beds and 560 jail beds statewide.

The budget proposal was held open pending receipt of the May Revision to the population estimate.

Governor's Budget and May Revision. The Governor's budget proposal includes \$1.3 million General Fund to support 11 positions that will oversee the management and contracting of the community beds ordered by the court.

The May Revision population estimate includes \$6.5 million in the current year and \$8.8 million in the budget year to fund contracts with the Substance Abuse Service Coordination Agencies (SASCAs) to implement the In-Custody Drug Treatment Program. The department expects to establish 1,530 of these beds in the budget year. The funding requested is the net of the institution savings from not returning the offender to state prison. The department has structured the program in three phases. Phase I is 60 day in-custody treatment, phase II is an additional 30 days in-custody treatment, and phase III is an additional 60 days in-custody treatment. The department expects that 30 percent of the offenders will need phase III treatment.

A Finance Letter (dated May 13, 2008) also proposes budget bill language to enable the department to transfer funds between adult institutions and rehabilitation programs so that it can reconcile budgeted expenditures with actual utilization for the In-Custody Drug Treatment Program.

Staff Comments. Staff finds that population trends show some evidence that these treatment beds have reduced the number of inmates returned to custody for short-term parole violations, thereby reducing the inmate population. The treatment programs should also help to reduce

recidivism for this population, which could result in significant long-term savings to the state's prison system. Staff finds that proper contract oversight by CDCR staff is critical to ensuring effective and efficient use of state funds.

Staff finds that it will be critical for the department to track actual utilization of these beds. The department has requested budget bill language to enable the department to transfer funds between adult institutions and rehabilitation programs in order to reconcile the actual utilization of the In-Custody Drug Treatment Program beds. Staff finds that this may be appropriate, but it will also be important for the Legislature to be provided with information on the utilization of this program.

Staff Recommendation. Staff recommends that the Subcommittee take the following actions:

- Approve the budget proposal to oversee the In-Custody Drug Treatment Program.
- Approve budget bill language to allow for a transfer between programs only after notification of the Joint Legislative Budget Committee including information about actual utilization of the program by parole region.

3. Substance Abuse Program – Aftercare Services

Background. There have been numerous studies and audits over the past several years criticizing CDCR's Substance Abuse Program (SAP). One of the significant criticisms is the lack of a developed aftercare component. Many studies have shown that substance abuse treatment in-custody is significantly more effective when there is an aftercare component. Chapter 7, Statutes of 2007 (AB 900, Solorio) requires the department to establish 4,000 additional SAP beds in custody and specifically requires that the department also implement the aftercare component.

Furthermore, Chapter 875, Statutes of 2006 (AB 1453, Speier) allows any offender convicted of a non-violent non-serious offense that completes an in-prison substance abuse program to be entered into a 150-day residential aftercare substance abuse treatment program. If he or she completes this residential aftercare program successfully, the offender shall be discharged from parole at that time. The department is also pursuing aftercare services for offenders that do not meet the AB 1453 criteria.

Governor's Budget and May Revision. The May Revision does not include additional funding for aftercare services in the budget year due to inconsistencies in how the aftercare data is currently being reported. However, the department has put forward a new methodology for funding aftercare services going forward that is based on actual utilization data.

The base budget includes \$46.4 million to support these aftercare programs in the budget year.

At the April 28 meeting of the Subcommittee, the Subcommittee approved the Governor's budget proposal to allocate \$8.1 million from the \$50 million included in AB 900 to add 2,000 additional in-prison drug treatment beds. This proposal includes activating 720 aftercare slots in 2009-10 at a cost of \$9.7 million, but provides no additional funding in the budget year.

Staff Comments. Staff finds that it is appropriate to adjust the funding available for aftercare as the population changes as long as it is based on actual utilization data. Aftercare is a critical component to the department's substance abuse program and if properly implemented can help to reduce recidivism. Staff agrees with the department that a uniform system for collecting and reporting aftercare utilization data is needed so that the Legislature can better understand how this program is being implemented.

Staff Recommendation. Staff recommends that the Subcommittee take the following actions:

- Approve budget bill language that requires the department to ensure consistent reporting of aftercare utilization and require that this information be reported to the Legislature in the January 2009 budget proposal.

4. Re-Entry Facilities

Previous Subcommittee Meeting. At the May 5 meeting of the Subcommittee, the discussion item on re-entry facilities was pulled off the agenda.

Chapter 7, Statutes of 2007 (AB 900, Solorio) included \$2.6 billion to construct 16,000 re-entry beds. These facilities are to be no more than 500 beds and be located in communities where offenders would parole. The department plans to design an environment in the re-entry facility that provides intensive rehabilitative programming in the last year of incarceration and provides a step-down environment.

Chapter 228, Statutes of 2007 (SB 943, Machado) was enacted in 2007 to site the state's first re-entry facility at the closed Northern California Women's Facility in San Joaquin County. The Corrections Standards Authority (CSA) has received proposals for 19 additional re-entry facilities as part of the request for proposal to allocate jail bond money also included in AB 900. Language included in AB 900 and Chapter 175, Statutes of 2007 (SB 81, Budget) requires that CSA give preference in awarding the jail money to counties that site re-entry facilities.

Governor's Budget and May Revision. The population estimate includes partial funding to support two re-entry facilities in the budget year. Specifically the budget includes:

- **Northern California Re-entry Facility (NCRF).** The Governor's budget and May Revision includes \$81,000 in the current year and \$12.8 million in the budget year to support the pre-activation team and to activate the re-entry facility in May 2009 and start receiving inmates by July 2009. Pre-activation includes developing the programs, establishing contracts for community based services, and starting the process for hiring staff at the facility.
- **San Francisco Re-entry Project.** The Governor's budget and May Revision includes \$2.4 million in the budget year to contract with San Francisco County to run a 48-bed re-entry facility in their County Jail. This project will include programming for the offender in jail and when on parole.

Staff Comments. Staff finds that the department is still developing the programs to be implemented at the re-entry facility. The concept of the re-entry facility is to provide all offenders with enhanced programming opportunities in the last year of incarceration and to

provide important linkages to local community resources that will improve public safety. However, this is considerably different from existing prison operations where only a small portion of the inmate population is participating in rehabilitation programs. Furthermore, since the department has not received a comprehensive plan for implementing this facility it is difficult to evaluate the staffing package included in the May Revision in a meaningful way. The table below summarizes the staffing package put forward for NCRF. The department indicates that the staffing package is based on many months of discussions internally at the department and a review of how other states are implementing re-entry facilities.

Staffing Package: Northern California Re-entry Facility

	Positions
Administration	86.6
Custody	136.7
Program	30.6
Health Care	87.7
Total	341.6

As discussed at several other Subcommittee hearings, the development of additional re-entry facilities requires a considerable amount of coordination with local government. Staff finds that the state grants for local jail construction are critical to ensuring that re-entry facilities are sited near communities where the offenders will parole. The Corrections Standards Authority made conditional awards of \$750 million in lease revenue bonds to fund 12 jail projects. All of the counties that were awarded jail funds have agreed to help the state site a re-entry facility. These jail awards are only conditional because the department needs to complete additional analysis and due diligence of the sites offered to ensure they are suitable for a re-entry facility.

Furthermore, staff understands that the Attorney General has requested some changes to the AB 900 language to enable a clean bond opinion. A Finance Letter (dated May 9, 2008) includes the language requested by the Attorney General. The DOF has indicated that this language will enable the Attorney General to issue a clean bond opinion regarding the lease-revenue bonds authorized in AB 900 including the bonds authorized to fund the local jail facilities. However, the Attorney General indicates that there continues to be two taxpayer lawsuits related to AB 900 that may continue to jeopardize his ability to issue a clean bond opinion.

Staff Recommendation. Staff recommends that the Subcommittee take the following actions:

- Approve budget bill language that requires a clean bond opinion before the re-entry facility at NCRF can be activated.
- Approve supplemental report language to require the department to submit its model program plans for the re-entry facilities and a specific program plan for NCRF by January 2009.

5. Female Bed Plan

Previous Subcommittee Meeting. At the May 5 meeting of the Subcommittee, there was discussion about CDCR's budget proposals to improve outcomes for female offenders by implementing a continuum of care for female offenders. No action was taken on this proposal pending activation updates in the May Revision.

The Subcommittee also requested that the Administration submit the Female Offender Reform Master Plan developed in response to Chapter 706, Statutes of 2007 (AB 76, Lieber). At the time of the May 5 meeting of the Subcommittee, the plan had been completed but had not been forwarded to the Legislature.

Governor's Budget and May Revision. The Governor's budget proposal and May Revision includes \$263,000 in the current year and \$29.9 million in the budget year to implement various components of the department's female offender master plan, which includes investments in the following facilities to improve the continuum of care offered to female offenders to reduce recidivism and break the intergenerational cycle of incarceration:

- **Female Rehabilitative Community Correctional Centers.** \$263,000 in the current year and \$20.1 million in the budget year to support staff and contracts for an additional 1,275 beds in these community correctional centers. The department indicates that it is pursuing community based beds in increments of 200, 100 and 75 beds. Each facility would include a case manager to ensure that each female offender's treatment needs were identified in an Individual Treatment and Rehabilitation Plan and met. The May Revision reduced funding in the current year and budget year for these centers due to delays in activating a 75-bed facility in Bakersfield and revised contract costs for evaluating these facilities in the current and budget years.
- **Female Offender Treatment and Employment Program.** \$3.3 million in the budget year to add an additional 150 of these beds in the community for female parolees. These beds would be added to the Division of Addiction Recovery Services' existing network of providers. This program has been evaluated by UCLA and has been found to reduce recidivism.
- **Female Residential Multi-Service Centers.** \$1 million to continue implementation of 575 residential multi-service center beds for female parolees. The 2007 Budget Act included \$7 million to support the activation of these beds in the current year. The department is in the process of contracting for these services. The goal of these centers is to provide female parolees with supportive housing to enable reduced recidivism. The department has activated its first 25-bed facility in Sacramento.
- **Sober Living Environment Beds.** \$5.5 million to activate 750 Sober Living Environment beds that are step-down facilities for female offenders that have completed residential drug treatment. These facilities will be small and will enable female offenders to live with their children.

Staff Comments. Staff finds that the Master Plan for female offenders was received by the Legislature on May 21. Staff finds that the department's budget proposals are consistent with this plan, which calls for establishing community-based facilities for the treatment of non-serious

nonviolent female offenders and providing offenders with a treatment environment that provides wrap-around services.

Staff finds that the majority of female offenders in state prison are mothers and improving outcomes for this cohort of the prison population can have significant impacts on reducing the intergenerational cycle of crime and incarceration. Staff finds that these community-based beds are more expensive than regular prison beds, but are better designed to improve the outcomes for female offenders.

Staff Recommendation. No additional action needed. Funding for this program is contained in the population estimate.

Division of Correctional Health Care Services

1. *Coleman* Mental Health Staffing

Previous Subcommittee Meeting. At the May 14 meeting of the Subcommittee, the Subcommittee discussed a Finance Letter (dated April 1, 2008) that proposes establishing 408 positions (mainly clinical) to provide staffing needed to implement the Mental Health Services Delivery System Revised Program Guide. The workload study completed in June 2007 identified a revised mix of positions to fully implement the Revised Program Guide including establishing these additional positions. The budget proposal does not include additional funding required to support these positions given the significant number of vacancies the department has in these position classifications.

The Subcommittee also discussed the importance of building on the core competencies of the Department of Mental Health in providing acute care to mentally ill patients as CDCR expands its mental health program to comply with the *Coleman* lawsuit. The Receiver currently plans to build 5,000 mental health beds in consolidated care centers including the construction of acute beds. Given this, staff finds that it may be appropriate for the Department of Mental Health to expand its current involvement in providing acute care services within CDCR facilities.

Staff Recommendation. Staff recommends that the Subcommittee take the following action:

- Approve the Finance Letter less three positions.
- Approve a Reimbursement Item to provide the Department of Mental Health with three positions (one psychologist, one analytical position, and one support position) funded from CDCR salary savings. These positions should support a collaborative effort to plan for the Department of Mental Health to provide acute care to mentally ill inmates within CDCR institutions, consistent with their core mission.

2. Inmate Dental Services Program

Previous Subcommittee Meeting. At the May 14 meeting of the Subcommittee, testimony was heard on the department's budget proposal to add \$2.6 million to support 19 positions and

training for CDCR nurses and doctors in recognizing major dental-related issues. The majority of these positions (16 positions) are court ordered and were administratively established in the current year and funded with salary savings.

The Subcommittee also discussed recent allegations against the department that inmates were being excluded from certain rehabilitation programs if they did not have a clear dental record. The department has provided some information to staff about related department policies. It appears that the department does have a policy that excludes some inmates from rehabilitation programming opportunities if they have dental issues that need resolved.

Staff Comments. Staff finds that outstanding dental issues should not exclude an inmate from participating in rehabilitative programming except for in extreme cases. Furthermore, staff finds that coordination and case management could help to reduce or altogether avoid situations where inmates have to choose between dental care and entering a rehabilitation program.

Staff Recommendation. Staff recommends that the Subcommittee take the following actions:

- Approve the budget proposal.
- Approve supplemental report language to require that the department evaluate its current dental class code matrix and develop strategies for reducing program exclusions for inmates with outstanding dental issues that are not life threatening.

Capital Outlay

1. Minor Capital Outlay

Previous Subcommittee Meeting. At the May 14 meeting of the Subcommittee, this issue was held open pending review of the detail behind the allocation of the minor capital outlay funding. The Governor proposed \$7.5 million be allocated to various minor capital outlay projects, but did not submit detail behind these proposals until the May Revision.

Governor's Budget. The Governor's budget proposal includes \$7.5 million General Fund. The department has submitted details on specific projects that total \$5.5 million. The projects that have been approved by DOF include the following minor capital outlay projects:

- **California Medical Facility.** \$359,000 to install a new fire alarm system in the P-Wing that has been converted to an Intermediate Care Facility and is required by the Department of Health Services for licensure.
- **Pleasant Valley State Prison.** \$472,000 to construct two confidential mental health treatment rooms in existing group therapy rooms in Facility A, B, C, and D to enable an individual treatment modality. (These projects are technically four different minor projects.)
- **California Men's Colony.** \$318,000 to construct two rooftop security platforms for the A Quadrangle at the East Facility. This facility is designed as a Level III facility, but because the facility serves inmates with more serious medical and psychiatric needs there are many Level IV overrides in this facility. The CDCR indicates that Level IV overrides

require constant supervision during open yard movement. The A Quadrangle does not currently have the facilities to provide this supervision.

- **California Men's Colony.** \$150,000 to construct one rooftop security platform on B Quadrangle at the East Facility to address the same problems identified on the A Quadrangle.
- **California Men's Colony.** \$318,000 to construct two rooftop security platforms on C Quadrangle at the East Facility to address the same problems identified on the A Quadrangle.
- **California Men's Colony.** \$282,000 to construct two rooftop security platforms on D Quadrangle at the East Facility to address the same problems identified on the A Quadrangle.
- **San Quentin State Prison.** \$295,000 to install a dumbwaiter in the D Section of the South Block Administrative Segregation Unit to enable safe and efficient food service to the 5 tiers of the D Section. Currently, staff have to carry heavy trays up narrow, steep stairs and it takes approximately 1 hour and thirty minutes to complete each meal delivery. The dumbwaiter would provide a safer and more efficient means of delivering meals to the inmates in this facility.
- **California Men's Colony.** \$339,000 to construct an additional staff bathroom and modify the existing bathroom at the main support warehouse at the prison. Currently, there is only one staff bathroom at this facility and it does not comply with current workplace regulations that require separate toilet facilities for each gender. The existing facility is also not ADA accessible and will need to be upgraded.
- **Mule Creek State Prison.** \$254,000 to add two additional walk-in freezers to accommodate the overcrowded conditions at the prison. The current freezer capacity is overloaded resulting in food storage temperatures that are at unsafe levels.
- **Wasco State Prison.** \$326,000 to install two additional blast chillers in the main kitchen to address existing deficiencies in the cook-chill operation at the prison. This project will improve the efficiency of the current food service system.
- **Northern California Youth Correctional Center.** \$159,000 to install a water treatment center to treat the water supplied to the central kitchen. The existing water is hard and causes damage to the dishwashing machine and cooling tower that provides chilled water to the refrigeration system. This kitchen serves the O.H. Close Youth Correctional Facility and the N.A. Chaderjian Youth Correctional Facility.
- **North Kern State Prison.** \$322,000 to remodel and add equipment to the existing re-therm kitchen to improve efficiency of the food service operation. The existing kitchen was not designed for the current overcrowded conditions at the prison.
- **High Desert State Prison.** \$223,000 to construct two well houses to surround and protect wells at the prison that are currently not sheltered. These well houses will enclose and protect the uncovered wells, above ground piping, meters, and electrical equipment.
- **California Correctional Center.** \$320,000 to install cooling units in the Arnold housing units at this prison. These buildings do not have any type of air cooling systems and summer inside temperatures are often above 90 degrees.
- **Deuel Vocational Institution.** \$375,000 to install cooling units in the academic wing at the prison. This wing currently does not have proper ventilation and inside temperatures are often above 90 degrees.

- **California Medical Facility.** \$307,000 to construct an additional parking lot to accommodate the increased staffing at this facility.
- **Deuel Vocational Institution.** \$378,000 to construct two additional parking lots to accommodate the increased staffing at this facility.
- **Salinas Valley State Prison.** \$341,000 to construct an additional parking lot to accommodate the increased staffing at this facility.

Staff Comments. Staff has no issues with these projects. They all appear to address existing deficiencies and, for the most part, problems at the institutions that are health and safety related. The department has not put forward specific proposals for \$2 million of the total minor capital outlay request. The department indicates that it is still developing proposals to expend these monies. Staff finds that there are many existing deficiencies in the prison facilities that are health and safety related and negatively impact state prison operations. Furthermore, as the department continues to increase program utilization it is likely that other facility changes will need to be made to accommodate increased movement in the institution. For example, at RJ Donovan the installation of a door enabled inmates from one housing unit to participate in a substance abuse program that they otherwise could not access without escort.

Current Year Funding. The 2007 Budget Act included \$2 million for minor projects in the current year. The Budget Act also included budget bill language to restrict the redirection of minor capital outlay funding unless there was notification of the Joint Legislative Budget Committee and the redirection was to accommodate special circumstances or an emergency.

The Committee received a Finance Letter (dated May 21, 2008) proposing to cancel one project, fund two new projects, and provide partial funding for one additional project. These changes were made because the department determined that the project to construct a new visitor processing center at the Correctional Training Facility would exceed the minor capital outlay threshold (\$400,000). The department also proposes revising the estimates for all of the minor projects funded in the 2007 Budget Act. The three new projects are as follows:

- **Correctional Training Facility.** \$148,000 to install additional lighting in the South Yard. The current lighting was installed in the 1950s and is inadequate to fully illuminate the yard. This poses a safety and security issue for staff and inmates.
- **High Desert State Prison.** \$110,000 to install a heating, ventilation, and cooling system in the generator room at the prison. Currently, the unregulated temperatures in the generator room are deteriorating the conditions of the equipment.
- **Preston Youth Correctional Facility.** \$29,000 to augment the budget for a *Farrell* minor capital outlay project funded in the 2007 Budget Act. The total cost of this project including this augmentation is \$317,000.

Staff Recommendation. Staff recommends that the Subcommittee take the following actions:

- Approve the \$5.5 million in projects described above.
- Approve the \$2 million for other minor capital outlay projects.
- Approve budget bill language to require reporting to the Joint Legislative Budget Committee on the projects to be funded with the remaining \$2 million.
- Approve budget bill language to require a report to the Legislature on the reconciliation of minor capital outlay projects by May 1, 2009.

2. Waste Water Treatment Plant Upgrades

Previous Subcommittee Meeting. At the May 14 meeting of the Subcommittee, action was taken to approve funding to address issues with the Waste Water Treatment Plants (WWTPs) at several prisons. The Governor's budget proposal and Finance Letter amendment to fund the Chuckawalla Valley State Prison/Ironwood State Prison WWTP project upgrade was held open pending receipt of a revision to this project in the May Revision.

Governor's Budget, Finance Letter, and May Revision. A Finance letter (dated May 14, 2008) proposes to switch funding for the rehabilitation of the Chuckawalla Valley State Prison/Ironwood State Prison WWTP from the General Fund to lease-revenue bonds. This will result in \$25.3 million in savings in the budget year. The following is a summary of the project:

- **Chuckawalla Valley State Prison/Ironwood State Prison.** The Governor's budget proposal included \$23 million General Fund for construction costs to rehabilitate the WWTP that serves both of these prisons. The scope of this project was changed considerably in 2007 to comply with requirements of the Colorado River Basin Regional Water Quality Control Board. The project now entails rehabilitating two trickling filters, paving portions of sludge drying beds, constructing a solid storage pad, and replacing pumps.

The Finance Letter proposes to increase the amount provided for construction by \$2.3 million General Fund. The increased costs reflect a more detailed scope and schedule obtained during the recent completion of preliminary plans.

Funding this project will prevent future violations and the potential issuance of a Cease and Desist Order from the Colorado River Basin Regional Water Quality Control Board. This project was started in 2006 and \$1.7 million has been appropriated by the Legislature in past budgets to plan for this project. The total estimated project cost is \$27.1 million.

Staff Recommendation. Staff recommends that the Subcommittee take the following actions:

- Approve the Governor's budget and April Finance letter.
- Approve the May Revision proposal to shift the project to lease-revenue bonds.

3. *Coleman* - California Institution for Women

Previous Subcommittee Meeting. At the May 14 meeting of the Subcommittee, the budget and Finance Letter proposal to convert the east wing of the Women Support Care Unit at the California Institution for Women to a 20-bed Psychiatric Services Unit was held open. This project was held open pending additional information on whether this project would be constructed as proposed given the Receiver's proposed construction plans and justification from the department that the proposed project was the most cost effective.

Governor's Budget and Finance Letter. The Governor's budget and a Finance Letter (dated April 1, 2008) requests funding to convert the east wing of the Women Support Care Unit at the California Institution for Women to a 20-bed Psychiatric Services Unit (PSU). The Governor's budget proposal includes \$601,000 General Fund for working drawings to build this new unit. The Finance Letter requests an additional \$64,000 for preliminary plans and \$82,000 for working drawings to complete the planning for this project. The increased costs are a result of adding additional office and treatment space to the project scope for staff to support the PSU.

The Legislature appropriated \$423,000 General Fund to support this project in the 2007 Budget Act. The total estimated project cost is \$7 million or \$350,000 per bed to convert these beds. This project was court-ordered in March 2007 by the *Coleman* court.

Staff Comments. Staff recognizes that there continues to be considerable uncertainty regarding whether the department will pursue this project separate from the consolidated care centers being constructed by the Receiver. The department is currently developing a new bed plan that is due to the court on July 16, 2008. Nevertheless, this is a court ordered project and there continues to be uncertainty regarding whether the consolidated care centers will be constructed in the near future.

Staff Recommendation. Staff recommends that the Subcommittee take the following actions:

- Approve this budget and Finance Letter proposal.
- Approve budget bill language to require these funds to revert if this project is no longer a part of the final *Coleman* mental health bed plan.

4. *Coleman* - Salinas Valley State Prison

Previous Subcommittee Meeting. At the May 14 meeting of the Subcommittee, the budget and Finance Letter proposal to add treatment and office space to convert an EOP administrative segregation unit to a 180-bed general population EOP unit and a project to convert unused dining room space into group therapy space was held open. These projects were held open pending additional information on whether these projects would be constructed as proposed given the Receiver's proposed construction plans.

Finance Letter. A Finance Letter (dated April 1, 2008) proposed funding to support two *Coleman*-related projects at the Salinas Valley State Prison. These projects include the following:

- **Treatment and Office Space to Support 180-Bed Enhanced Outpatient Program.** The Finance Letter includes \$1.7 million General Fund to support preliminary planning efforts to add additional treatment and office space to convert an EOP administrative segregation unit to a 180-bed general population EOP unit. This EOP housing unit is part of the court-approved bed plan and requires additional treatment space and office space to support the level of care required by the *Coleman* court. The EOP administrative segregation inmates currently in this facility will be transferred to a new 70-bed EOP administrative segregation facility that is being completed as part of the approved mental health bed plan.

The total estimated project cost is \$21.8 million to support the treatment and office space needed to support these beds.

- **Intermediate Care Facility Treatment Space.** The Finance letter includes \$399,000 General Fund to support preliminary plans and working drawings to convert existing unused dining room space into group therapy space to support the 128-bed Intermediate Care Facility at the prison. This ICF housing unit is part of the court-approved bed plan and requires additional treatment space and office space to support the level of care required by the *Coleman* court.

The total estimated project cost is \$1.9 million to add the additional treatment and office space needed to support these beds.

Staff Comments. Staff finds that this project has the same issues as the project described above at the California Institution for Women.

Staff Recommendation. Staff recommends that the Subcommittee take the following actions:

- Approve this Finance Letter proposal.
- Approve budget bill language to require these funds to revert if this project is no longer a part of the final *Coleman* mental health bed plan.

5. *Coleman* - Small Management Yards

Background. The CDCR is required, by a court order from the 1970s, to provide at least ten hours per week of out of cell exercise to inmates in administrative segregation. Historically, the department would accommodate this requirement by releasing 15 to 25 inmates at one time into an exercise yard. The department cites that the increased complexity of the administrative segregation inmate population has made it more difficult to release large groups of inmates without the threat of violence. Therefore, several years ago, the department started to construct small management yards.

The small management yards are approximately 150 square feet and can accommodate two inmates at one time. They are made of a metal fencing-type material and have a combination toilet and sink.

The judge overseeing the *Coleman* lawsuit issued an order on May 31, 2007, that the department submit a plan to provide sufficient small management yards to provide for at least ten hours per week of out of cell exercise to all inmates in administrative segregation. The order requires that the plan call for funding and construction of all yards by the end of the 2008-09 fiscal year. The plan also required provisions for better utilization of the existing small management yards and coordination with available staff to maximize yard usage.

The department estimates that as of October 2007, 1,162 small management yards were needed statewide for administrative segregation units. The department indicates that of the total needed (1) 578 had already been constructed, (2) 108 were under construction, (3) 149 were in the design phase, and (4) 327 still needed to be funded.

The 2007-08 Budget Act included \$911,000 for preliminary plans and working drawings to add 179 small management yards at the six institutions, including 149 yards for administrative segregation units and 30 yards for the security housing units.

Governor's Budget, Finance Letter, and May Revision. The Governor's budget proposal includes \$25.4 million General Fund to support the construction of 476 small management yards for administrative segregation units at 26 institutions. This includes funding for the design phase for 327 of the yards. The department does not plan to complete this project until January 2010. This is six months beyond what was ordered by the court.

In January 2008 the *Coleman* court rejected the department's plans to complete construction by January 2010 and ordered CDCR to take all steps necessary to complete construction by June 30, 2009. To comply with this court order, a Finance Letter (dated May 14, 2008) requests \$8.6 million to augment the January budget proposal to expedite construction of these yards and attempt to build the additional yards by July 2009, consistent with the court order. The department is also requesting budget bill language to authorize the use of alternative project delivery methods to get these facilities built quickly.

A Finance Letter (dated April 1, 2008) proposes \$1.6 million to support overtime pay for custody staff and lighting equipment to facilitate the use of yards during 3rd watch at eight institutions that cannot provide inmates in administrative segregation with the required 10 hours per week of out of cell time. This funding proposal includes \$1.3 million for overtime costs and \$300,000 for lighting equipment.

Staff Comments. Staff finds that the need for additional small management yards could be reduced if the department could determine strategies for reducing its administrative segregation unit population. Staff finds that some inmates continue to be held in administrative segregation for non-disciplinary reasons because the department lacks suitable housing placements for certain populations considered "special needs". The department has provided staff with information that shows they have made some progress in moving non-disciplinary inmates out of the administrative segregation unit. However, the department needs to continue to actively manage its administrative segregation population.

In addition, the court order requires the department to develop plans for better utilizing existing small management yards including utilizing the yards on third-watch. The department's support proposal will augment resources at eight institutions that are currently out of compliance with the required 10 hours per week of out of cell time.

Staff Recommendation. Staff recommends that the Subcommittee take the following actions:

- Approve the budget proposal and Finance Letter to expedite construction of the small management yards to comply with the *Coleman* court.
- Approve budget bill language to expedite construction of these projects.
- Approve Finance Letter proposal to augment funding for the 3rd watch at eight institutions to comply with the *Coleman* court.

6. Statewide Project Planning

Previous Subcommittee Direction. At the May 14 meeting of the Subcommittee, the \$6 million requested in a Finance Letter (dated April 1, 2008) for site investigation and real estate due diligence activities for potential re-entry facility properties was held open.

On May 8, 2008, the Corrections Standards Authority released its conditional awards of the phase I local jail bond money authorized in Chapter 7, Statutes of 2007 (AB 900, Solorio). The counties that have received a conditional award have agreed to work with the state to site a re-entry facility. The department has received more than 20 potential sites for re-entry facilities. These sites must be evaluated by the department to determine whether the sites are viable re-entry sites. Therefore, the jail bond awards are only conditional until the department's evaluation of the site viability is completed.

Given this recent development, the department has determined that the \$6 million would be allocated to the following activities:

- \$1.3 million to evaluate 13 sites included in the CSA jail bond proposals.
- \$1.2 million to evaluate 12 additional sites not included in the CSA jail bond proposals.
- \$2.5 million to enter real property purchase options for up to 10 sites.
- \$1 million for other consultant services and program management.

Staff Comments. Staff finds that current law provides that preference be given in awarding local jail monies to counties that help the state to site a re-entry facility. Staff finds that this means more than just forwarding available sites to CDCR. Helping the state site a re-entry facility infers a partnership of working towards a common goal of getting a re-entry facility built so that more can be done to rehabilitate offenders returning to the community from state prison.

Staff Recommendation. Staff recommends that the Subcommittee take the following actions:

- Approve the \$6 million for re-entry due diligence activities.
- Approve proposed budget bill language to authorize the acquisition of an option to purchase real property.
- Approve budget bill language to ensure that all \$6 million is available for expenditure for three years.
- Approve trailer bill language that requires the counties to reimburse the state for due diligence expenditures for properties that have issues that preclude them from being used for re-entry if the issues should have been reasonably known by the county.

7. California Rehabilitation Center – Replace Dorms

Previous Subcommittee Meeting. At the May 14 meeting of the Subcommittee, the budget and Finance Letter proposals to support the construction and planning of a multi-phased project to replace all 28 wooden dorms at the California Rehabilitation Center (CRC) was held open. The Subcommittee requested additional information on the programming space needed at this facility to make it comply with standards set by AB 900.

The department has indicated to staff that they are in the process of evaluating how to increase utilization of existing program resources at CRC. As part of this evaluation they will be looking at what facilities are needed to increase rehabilitative programming at the CRC.

Governor's Budget and Finance Letter. The Governor's budget proposes \$15.3 million General Fund to support the construction (\$15 million) of four new 200-bed dorm housing units and the working drawings (\$343,000) to construct three additional 200-bed dorm housing units at CRC. A Finance Letter (dated May 1, 2008) proposes to delete the General Fund support for construction of this project and instead switch funding for construction of this project to lease-revenue bond financing.

This multi-phase project was started in 1998 and to date the Legislature has appropriated \$9 million to develop preliminary plans for all phases, working drawings for the construction of the first five dorm housing units, and construction of the first 200-bed dorm housing unit. The total estimated project cost is \$67.7 million. This project will augment the department's bed capacity by 400 additional dorm beds.

Staff Comments. Staff finds that these facilities are badly deteriorated and pose health and safety issues for the inmates and staff. These dorm projects are similar to some of the projects proposed for funding under Chapter 7, Statutes of 2007 (AB 900, Solorio). Staff finds that ultimately this project will add 400 dorm beds to this facility. It is critical that the department evaluate the additional program space, visitor facility, health care space, etc., that it will need to serve this additional population.

Staff Recommendation. Staff recommends that the Subcommittee take the following actions:

- Approve the budget proposal and Finance Letter proposal.
- Approve supplemental report language to require that the department develop a plan to improve rehabilitative programming space and other ancillary space at the California Rehabilitation Center to ensure compliance with AB 900 requirements. This report can be included in the department's Master Plan.

8. *Farrell* Related Capital Outlay

Previous Subcommittee Meeting. At the April 28 meeting of the Subcommittee, funding for various *Farrell*-related capital outlay projects was held open pending receipt of a facility master plan requested in the 2007 Budget Act. The department has indicated that the report requested in the 2007 Budget Act is still under development. The development of the plan has been further complicated by the recent announcement that the Receiver is considering using the Ventura Youth Correctional Facility to site a consolidated care center. (The Receiver has also announced that he is considering the closed Karl Holton Youth Facility at the Northern California Youth Correctional Center in Stockton.)

The department has made some progress in developing the facilities master plan. However, the plan has not been completed to date. The department has reported that it has developed a profile of the Department of Juvenile Justice (DJJ) population and has identified the facilities needed to serve this population and bring the state into compliance with the *Farrell* lawsuit. The

department retained a consultant to develop a prototypical facility to meet the needs of the DJJ population. The department reports that this study resulted in plans to construct five new facilities that cost approximately \$2.5 billion. Given the relatively high cost of these new facilities, the department is still evaluating the best option for improving DJJ facilities so that the department can improve its delivery of services and comply with the *Farrell* lawsuit.

Given the recent announcement by the Receiver, the department is reconsidering its initial plans for allocating modular units that were funded in the 2007 Budget Act. The department has three years to expend the \$6.5 million included in the 2007 Budget Act for the purchase and installation of additional modular units to improve the program and treatment space available at the existing DJJ facilities.

The 2007 Budget Act also included \$3.5 million for minor capital outlay projects. The department has forwarded information to staff on the projects it is pursuing and indicates that the Joint Legislative Budget Committee will receive notification of these projects in the near future. The projects being pursued with these funds include the following:

- **O.H. Close Youth Correctional Facility.** \$385,000 to construct a medical examination room and medical office at the Inyo Living Unit.
- **Southern Youth Correctional Reception Center.** \$164,000 to construct a medical examination room at the Marshall Living Unit.
- **Southern Youth Correctional Reception Center.** \$385,000 to construct three medical offices within the outpatient housing unit in the Medical Wing of the Administration Building.
- **Southern Youth Correctional Reception Center.** \$1.2 million to construct three medical offices at each of the following housing units, the Sutter High Risk Core Living Unit, the Cabrillo High Risk Core Living Unit, and the Pico Intake Program Living Unit.
- **N.A. Chaderjian Youth Correctional Facility.** \$375,000 to construct a group recreation area for the Kern Living Unit to provide adequate recreational space for the residents in the Behavior Treatment Program.
- **O.H. Close Youth Correctional Facility.** \$373,000 to construct a group recreation area for the Inyo Living Unit to provide adequate recreational space for the residents in the Behavior Treatment Program.
- **Preston Youth Correctional Facility.** \$346,000 to construct a group recreation area for the Oak Living Unit to provide adequate recreation space for the residents in the Behavior Treatment Program.
- **Preston Youth Correctional Facility.** \$317,000 to construct a group recreation area for the Redwood Living Unit to provide adequate recreation space for the residents in the Behavior Treatment Program. The total project cost for this project are \$346,000, the additional \$29,000 is supported by the department's general budget for minor capital outlay appropriated in the 2007 Budget Act.

Governor's Budget and Finance Letter. The Governor's budget and a Finance Letter (dated April 1, 2008) allocate \$2 million General Fund to support capital outlay projects to help comply with the *Farrell* lawsuit. These projects are summarized below:

- **Sex Behavior Treatment Program Counseling Building #1.** The Governor's budget proposal includes \$419,000 to finish construction of a counseling building at N.A.

Chaderjian Youth Correctional Facility that will provide group counseling space, individual counseling space, offices, and storage to support a Sex Behavior Treatment Program. This project was started as a minor capital outlay project in 2006, but during construction it was determined that the costs of the building would exceed the minor capital outlay limit (\$400,000). The department has already invested \$303,000 in this project and construction is currently about half complete.

- **Sex Behavior Treatment Program Counseling Building #2.** The Governor's budget proposal includes \$517,000 to finish construction of a counseling building at N.A. Chaderjian Youth Correctional Facility that will provide group counseling space, individual counseling space, offices, and storage to support a Sex Behavior Treatment Program. This project was started as a minor capital outlay project in 2006, but during construction it was determined that the costs of the building would exceed the minor capital outlay limit. The department has already invested \$219,000 in this project and construction is currently about half complete.
- **Behavior Treatment Program.** A Finance Letter requests \$516,000 to finish remodeling the dayroom at the Inyo Living Unit at O.H. Close Youth Correctional Facility to add two education/treatment rooms to support a Behavior Treatment Program. This project was proposed as a minor capital outlay project in 2006, but during design it was determined that the project would exceed the minor capital outlay limit. The department has already invested \$18,415 on the design of this project.
- **Specialized Counseling Program.** A Finance Letter requests \$517,000 to finish expansion of the Humboldt Annex at O.H. Close Youth Correctional Facility to create a group counseling room, office space for clinical staff, and storage to support a Specialized Counseling Program. This project was started as a minor capital outlay project in 2006, but during construction it was determined that the costs of the expansion would exceed the minor capital outlay limit. The department has already invested \$235,425 on this project and construction is 22 percent complete.

Staff Comments. Staff finds that the *Farrell* reforms required the department to hire a significant number of new teachers and treatment staff to implement the remedial plans and there are treatment and office space shortages at all of the institutions. Staff finds that the department has made some progress in putting forward the facilities master plan required by the 2007 Budget Act. However, without a plan from the Administration, it is unclear how the state plans to remedy the problems with the existing facilities. The plan is critical for moving forward to improve DJJ facilities and comply with the *Farrell* lawsuit.

Staff Recommendation. Staff recommends that the Subcommittee take the following action:

- Approve the budget and Finance Letter proposals.

Other Issues

1. Correctional Officer Recruitment and Training

Previous Subcommittee Meeting. At the May 21 meeting of the Subcommittee, the budget proposal and May Revision proposal related to correctional officer recruitment and training was

approved. Funding to expand the parole agent academy was held open pending other actions that may reduce the need for additional parole agents in the budget year.

Governor's Budget and May Revision. The Governor's budget and a Finance Letter (dated May 13, 2008) propose \$3.1 million in additional funding to support 17 positions to double the size of the parole agent academy, thereby increasing the number of parole agents that can be trained to 480 in the budget year.

Staff Recommendation. Staff recommends that the Subcommittee approve the budget proposal less \$1,000 to ensure this item is in conference.

2. Parolee Employment Programs

Background. The CDCR currently invests in parolee employment programs. Numerous studies have shown that finding employment is an important factor to reducing the recidivism of offenders. Studies of the department's Parolee Employment Program have demonstrated that offenders that participate in the program are less likely, by 15 percent, to re-offend.

Governor's Budget. The Governor's budget contains approximately \$20 million for various parolee employment program efforts. The Governor's budget also allocates \$2.3 million in Workforce Investment Act Discretionary Funds to CDCR to support parolee employment programs.

LAO Recommendation. The LAO recommends that the state shift \$9.3 million additional WIA Discretionary Funds to offset CDCR's parolee employment programs in the budget year. The expenditures of WIA funds are largely discretionary. Therefore, the LAO finds that the state's fiscal condition and the potential cost effectiveness of additional investments in parolee employment programs justifies shifting additional WIA funds to CDCR parolee employment programs. This action would save the state \$9.3 million in General Fund.

Senate Budget Subcommittee #3 adopted the LAO's recommendation at a hearing on May 23. This action slightly reduced funding allocated to improve industries with statewide need like nursing and eliminated new initiatives called economic stimulus, green technology, and pre-apprenticeship.

Staff Recommendation. Staff recommends that the Subcommittee concur with the action taken by Senate Budget Subcommittee #3, thereby reducing CDCR General Fund expenditures by \$9.3 million.

Receiver for Prison Medical Care

1. Supervising Registered Nurses

May Revision. The Department of Finance has put forward a proposal by the Receiver to add \$12.5 million in the budget year to establish 138 additional supervising nurse positions to

improve nursing care and correct a nurse supervisory staffing deficiency. The Receiver indicates that these positions will ensure accountability and efficiency in deploying the department's nursing resources to help meet several of the key goals documented in the Receiver's Strategic Plan. These goals include:

- Ensuring timely access to health care services.
- Establishing a prison medical program addressing the full continuum of health care services.
- Recruiting, training, and retaining a professional quality medical work force.

Staff Comments. Staff finds that the Receiver has developed metrics that he will track to determine the effectiveness of its nursing resources. The supervisory nurse positions are needed to direct the nursing resources effectively to ensure these metrics are met. Specifically, the metrics developed for the supervisory nurse positions are as follows:

- Reduce on call usage by 25 percent.
- Reduce overtime by 25 percent.
- Complete 100% of patient care plans on inpatient unit admissions within 24 hours.
- Reduce the number of specialty care clinic cancellations due to inadequate/no preparation by 25 percent.

Staff finds that these metrics are helpful in determining whether or not these resources are actually making a difference in improving medical care for inmates in the prison system.

Staff Recommendation. Staff recommends that the Subcommittee approve this May Revision proposal.

2. Health Care Guarding and Transportation – Technical Adjustment

Previous Subcommittee Action. At the May 14 meeting of the Subcommittee, \$89 million was approved to augment CDCR's budget for health care guarding and transportation.

May Revision. The Department of Finance has put forward a proposal by the Receiver to correct a technical error in the health care guarding and transportation proposal approved on May 14. This adjustment reduces the proposal approved on May 14 by \$3.9 million to correct for a technical error.

Staff Recommendation. Staff recommends that the Subcommittee approve this technical adjustment.

3. Technical Scheduling Adjustment

May Revision. The CDCR has put forward a proposal to realign resources within the Receiver's medical care budget to move all field custody related resources from Program 50.10 (Medical Services—Adult) to Program 25 (Adult Corrections and Rehabilitation operations).

Staff Comments. The department indicates that under the prior Receiver all custody staff related to health care access were transferred to Program 50.10 to ensure that custody staff were not diverted to other prison functions. However, since then, the Department of Finance has established a separate health care item to track the Receiver's expenditures and this is no longer a concern. Furthermore, having custody resources scheduled in two different programs causes tracking problems that are difficult for the department to reconcile.

Staff Recommendation. Staff recommends that the Subcommittee approve this May Revision proposal.

0250 Judicial Branch

1. Trial Court Funding – State Appropriations Limit (SAL) Growth Factor

Previous Subcommittee Meeting. At the April 9 meeting of the Subcommittee, no action was taken on whether to fund the SAL growth factor (\$126 million) for the trial courts. The Governor's budget technically provides SAL to the trial courts, but the unallocated reduction would eliminate this augmentation and require the Judicial Branch to take a base cut to their budget.

The Judicial Branch has proposed as an alternative to the Governor's budget, a one-time redirection of its reserve funds to backfill the Governor's reduction and fully fund the SAL growth factor in the budget year. This option does not result in ongoing savings and would increase out-year expenditures from the General Fund.

The LAO has recommended, as an option for the Legislature, suspending SAL on a one-time basis. This option would result in ongoing savings to the General Fund.

May Revision. The May Revision resulted in a slight increase to SAL in the budget year, thereby increasing the funding that would be needed to provide SAL to the trial courts by \$2.4 million. Therefore, the May Revision SAL adjustment for the trial courts is \$128.6 million.

Staff Comments. Staff finds that the SAL adjustment is the primary mode in which growth in the courts and court expenditures are accommodated. Staff also recognizes that the courts currently have deficiencies in their base budget that cannot always be remedied given the competing priorities for each additional dollar provided to the courts. Nevertheless, the budget situation requires that some level of reduction be made to the Judicial Branch.

Staff finds that a growth factor that is less than SAL could be applied to provide the trial courts with some funding to accommodate growth in ongoing commitments like retirement.

If the trial courts were provided growth at the rate of the California Consumer Price Index (CPI) instead of SAL the courts would receive \$70 million instead of the \$129 million proposed in the May Revision.

Staff Recommendation. Staff recommends that the Subcommittee take the following actions:

- Approve budget bill language to substitute the California CPI for the SAL in calculating the growth provided to the trial courts on a one-time basis for the budget year.
- Approve \$70 million to provide the courts with growth based on the California CPI. This funding should be provided on a one-time basis from the trial court reserves.

2. Unallocated Reduction - Adjustments

Previous Subcommittee Actions. The Governor is proposing a 10 percent unallocated General Fund reduction to the budget for the Judicial Branch. This would result in a reduction of \$246 million General Fund. At the April 9 meeting of this Subcommittee, actions were taken to make specific reductions to the budget for the Judicial Branch to help meet this reduction target. Additional actions were taken at the May 21 meeting of the Subcommittee. Collectively these actions (excluding court security and increased civil filing fees) have reduced the Governor's budget for the Judicial Branch by \$97 million.

Staff Comments. Staff finds that the Subcommittee took an action on April 9 to increase civil filing fees and reduce General Fund support by \$21 million. Since that time, amendments have been taken to legislation to finance new trial court facilities (SB 1407, Perata) that would be supported by the same filing fees.

Furthermore, staff finds that the trial courts currently have considerable funds in their reserves that could be used on a one-time basis to fund court activities. The LAO estimates that the trial courts have over \$590 million in their reserve funds and that \$355 million is not obligated. However, staff recognizes that using the court reserves to backfill General fund reductions to the trial courts is only a one-time solution.

Staff Recommendation. Staff recommends that the Subcommittee take the following actions:

- Rescind prior action to increase civil filing fees and reduce General Fund by a like amount.
- Approve a \$23 million unallocated General Fund reduction to the trial courts base budget. This reduction should be backfilled with one-time expenditures from the trial court reserves.
- Eliminate the \$246 million unallocated reduction because the actions in this item, the previous item and at prior hearings result in a reduction to the courts of \$246 million.

3. Subordinate Judicial Officers

Background. Chapter 722, Statutes of 2007 (AB 159, Jones) authorized the conversion of 162 subordinate judicial officer positions to judgeships as the posts become vacant. This legislation

capped the number of conversions that could occur in a single fiscal year to 16. The subordinate judicial officers eligible for conversion to judgeships are located in the following counties:

- Alameda – 6
- Contra Costa – 6
- El Dorado – 2
- Fresno – 3
- Imperial – 1
- Kern – 2
- Los Angeles – 78
- Marin – 2
- Merced – 2
- Napa – 1
- Orange – 14
- Placer – 1
- Riverside – 6
- Sacramento – 5
- San Diego – 7
- San Francisco – 9
- San Luis Obispo – 2
- San Mateo – 2
- Santa Barbara – 2
- Santa Cruz – 1
- Solano – 3
- Sonoma – 2
- Stanislaus – 1
- Tulare – 2
- Yolo – 2

Current law requires the ratification of these conversions annually. Since the subordinate judicial officers are generally doing the work of a judge no additional funding is required to support these conversions.

Governor’s Budget. The Governor’s budget does not include language to ratify the conversion of 16 subordinate judicial officers to judgeships in the budget year. The AOC has suggested budget bill language that would accomplish ratification of these positions.

Staff Recommendation. Staff recommends that the Subcommittee approve the following budget bill language:

- *X. The Judicial Council is authorized to convert up to 16 subordinate judicial officer positions to judgeships in fiscal year 2008-2009 in the manner and pursuant to the authority described in Government Code section 69615(b)(1)(B).*

4. Administrative Office of the Courts - Cost Recovery

Background. Staff has asked the AOC to review its practices for charging trial courts for administrative services that directly support their operations. The current system does not differentiate support services that are consistent among courts from direct support to augment trial court activities at specific courts. In response the AOC has reviewed its practices and believes that there are changes that can be made to current practices to more appropriately assign costs among the AOC and the trial courts and improve transparency.

The AOC has agreed to complete a review and develop a budget proposal for 2009-10 to adjust the current inconsistencies and improve transparency of court expenditures.

Staff Comments. Staff finds that current budget bill language limits the amount of funding that the AOC can recover from the Trial Court Improvement Fund and the Trial Court Trust Fund for administrative costs that support the trial courts. Budget bill language limits the funding to \$18.7

million from the Trial Court Improvement Fund and \$11.3 million from the Trial Court Trust Fund. Current budget bill language allows AOC to augment these amounts up to 10 percent if the Legislature is notified. As mentioned above, there are considerable inconsistencies in how the AOC reports and tracks administrative costs that support all trial courts versus more direct support it provides to specific courts. The AOC has indicated to staff that it is working on clarifying its methodologies to make its reporting more consistent and transparent. The AOC finds that the 10 percent limit to adjusting these funds may preclude the accurate reflection of the AOC's administrative costs.

Staff Recommendation. Staff recommends that the Subcommittee revise the budget bill language to eliminate the 10 percent limit for adjusting the administrative costs the AOC can recover from the Trial Court Improvement Fund and the Trial Court Trust Fund. The AOC would still require legislative notification if it planned on exceeding the statutory limits set in the budget bill language. The proposed language is as follows:

0250-001-0159—For support of Judicial Branch, payable from the Trial Court Improvement Fund.....

Provisions:

1. Notwithstanding any other provision of law, upon approval by the Administrative Director of the Courts, the Controller shall increase this item up to \$18,673,000 for recovery of costs for administrative services provided to the trial courts by the Administrative Office of the Courts.

2. Notwithstanding any other provision of law, upon approval by the Administrative Director of the Courts, and notification to the Department of Finance, the chairpersons of the committees in each house of the Legislature that consider appropriations and the State Budget, and the Chairperson of the Joint Legislative Budget Committee, the Controller shall additionally increase ~~this item by an amount, or amounts, totaling no more than \$1,867,300~~ this item above \$18,673,000 for recovery of cost for administrative services provided to the trial courts by the Administrative Office of the Courts. Any augmentation shall be authorized no sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and appropriate subcommittees that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee or his or her designee may determine.

0250-101-0932—For local assistance, Judicial Branch, payable from the Trial Court Trust Fund.....

Provisions:

8. Upon approval by the Administrative Director of the Courts, the Controller shall transfer up to \$11,274,000 to Item 0250-001-0932 for recovery of costs for administrative services provided to the trial courts by the Administrative Office of the Courts.

9. Upon approval by the Administrative Director of the Courts, and notification to the Department of Finance, the chairpersons of the committees in each house of the Legislature that consider appropriations and the State Budget, and the Chairperson of the Joint Legislative Budget Committee, the Controller shall additionally increase the amount of the transfer by an amount ~~or amounts no more than \$1,127,400~~ above \$11,274,000 for recovery of costs for administrative services provided to the trial courts by the Administrative Office of the Courts. Any augmentations shall be authorized no sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees and appropriate subcommittees that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee or his or her designee may determine.

Attachment A

Attachment A

CDCR Population Estimate							
	Governor's Budget		May Revision		Total		
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	
Adult Institutions							Recommendation
Yard Conversions - Level Change: These changes are due to the conversion of Facility C at Centinela State Prison from Level IV to Level III.	98	0	-54	-617	44	-617	Approve as budgeted.
Yard Conversions - Mission Change: These changes are primarily due to the need to activate additional Administrative Segregation Units, Security Housing Units, and Administrative Segregation Units for mentally ill inmates in the Enhanced Outpatient Program.	1,440	2,723	1,048	5,877	2,488	8,600	Approve as budgeted.
Yard Conversions - Gender Change: These changes are due to the conversion of housing units at the California Rehabilitation Center from female inmates to male inmates.	649	788	0	0	649	788	Approve as budgeted.
Housing Unit Activations and Deactivations: Given the expected decline in the inmate population the department does not plan in its Institution Activation Schedule to activate beds in gyms and dayrooms as previously planned. This will result in the need for fewer staff and budget savings.	-5,414	11,195	-12,811	-80,091	-18,225	-68,896	Approve as budgeted.

Attachment A

	Governor's Budget		May Revision		Total		
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	
Unallocated Bed Adjustment: This adjustment reconciles the Institution Activation Schedule, which is based on the number of beds, to the projected inmate population. Because the population projections are slightly higher than the beds planned for in the Institution Activation Schedule there is a need to adjust the funding removed from the budget in the Housing Unit Activations and Deactivations item (above).	22,398	84,485	-17,790	12,980	4,608	97,465	Approve as budgeted.
Other Ratio Staff for Institutions: Given the expected decline in the inmate population the department needs fewer other ratio staff, including counselors, dentists, physicians, office assistants, etc.	-450	-4,382	-3,232	-14,180	-3,682	-18,562	Approve as budgeted.
General Operating Expenses: Given the expected decline in the inmate population the department does not need additional funding for inmate related expenses, including food, clothing, utilities, and programs. <i>(Many of these adjustments are nominal and do not reflect the actual marginal cost of providing these items.)</i>	-409	-4,370	-4,036	-16,930	-4,445	-21,300	Approve as budgeted.

Attachment A

	Governor's Budget		May Revision		Total		
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	
Health Care Operating Expenses: Given the expected decline in the inmate population the department does not need additional funding for inmate related health care expenses, including contract medical and pharmaceuticals. <i>(This is how the department has historically budgeted for these expenditures, but given the improvements demanded by the federal courts and the court appointed Receiver additional funding has been requested outside of this nominal amount that does not reflect the marginal cost of providing these services.)</i>	-219	-2,233	-1,654	-7,239	-1,873	-9,472	Approve as budgeted.
Inmate Welfare Fund Operating Expenses: Given the expected decline in the inmate population the department has reduced budgeted expenditures from the Inmate Welfare Fund since canteen expenditures are directly related to the number of inmates in state prison.	-45	-459	-340	-1,488	-385	-1,947	Approve as budgeted.

Attachment A

	Governor's Budget		May Revision		Total		
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	
Staffing for Mental Health Population: This funding category is used to adjust baseline staffing to reflect the needs of the mentally ill inmate population, including inmates in the Enhanced Outpatient Program and inmates in the Clinical Correctional Case Management Program. The adjustment is being made to correct budgeting errors from prior budgets. <i>(This item does not reflect the new staffing requirements to implement the Revised Program Guide being implemented to comply with the Coleman lawsuit.)</i>	-14,654	-14,660	0	0	-14,654	-14,660	Approve as budgeted.
Mental Health Crisis Bed Facility: Additional nursing staff needed to license the 50-bed licensed Mental Health Crisis Bed facility at the California Medical Facility authorized by the 2007 Budget Act. This facility helps the state comply with the <i>Coleman</i> lawsuit.	0	659	0	0	0	659	Approve as budgeted.
Psychiatric Services Unit (PSU) Expansion: Additional staffing and cell renovation to add 64 additional PSU beds at the California State Prison, Sacramento.	2,976	4,705	0	0	2,976	4,705	Approve as budgeted.

Attachment A

	Governor's Budget		May Revision		Total		
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	
Women's Condemned Row Exercise Yard: The condemned women at the Central California Women's Facility currently have to share the exercise yard with the segregation unit. This has severely limited the amount of yard time available to the condemned population. A recent lawsuit requires that Grade A (best behavior) condemned inmates have access to the same privileges as other inmates. An additional yard for the condemned inmates has been constructed to provide additional yard time and this proposal would provide staffing to support the new exercise yard for the 15 condemned women at the Central California Women's Facility.	71	304	0	0	71	304	Approve as budgeted.

Attachment A

	Governor's Budget		May Revision		Total		
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	
Bonding Mothers with Babies Prison Nursery Program: This program provides up to 16 pregnant inmates with the opportunity to stay with their infants while incarcerated. The women eligible for this program must be in their second or third trimester of pregnancy with a release date from 9-15 months after their expected date of delivery. This program provides wrap-around services for the women and infants, including substance abuse treatment, parenting classes, and on-site pediatric services. The renovation of the nursery for this program was funded by private donors and services are provided by a collaboration of organizations. The department has \$334,000 in its base budget to support this program (funded with reducing recidivism money in 2007-08.) This program is located at the California Institution for Women. The program is expected to be activated in May 2008.	167	207	-161	0	6	207	Approve as budgeted.

Attachment A

	Governor's Budget		May Revision		Total		
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	
Valdivia Case Records Positions: 1 case record position is provided for every 1,364 parole holds. The caseload in the budget year is projected to decline resulting in the need for fewer case records analysts to support this workload.	0	1,863	0	-725	0	1,138	Approve as budgeted.
Security Housing Unit (SHU) Conversion at CSP, Sacramento: Proposal to convert a general population unit at SAC to accommodate the transfer of HIV-positive SHU inmates that were previously held at CSP, Corcoran. This transfer is being made because of the Valley Fever risk at Corcoran. Corcoran will continue to operate the vacated HIV-SHU as a regular SHU.	0	0	522	2,664	522	2,664	Approve as budgeted.
<i>Institutions Subtotal</i>	<i>6,608</i>	<i>80,825</i>	<i>-38,508</i>	<i>-99,749</i>	<i>-31,900</i>	<i>-18,924</i>	

Attachment A

	Governor's Budget		May Revision		Total		
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	
Contract Facilities							
In-State Private and Public-Owned Prison Facilities: This item addresses changes in activation of in-state prison facilities that are both privately and publicly owned. The budget year includes \$12.8 million to support a rate increase for three private facilities with expired contracts. The budget year also includes funding to support 10 additional beds at the Lassen CCF. There are also numerous adjustments and delays in the current year related to the Adelanto and Leo Chesney facilities.	428	13,833	-400	297	28	14,130	Approve as budgeted.
Out of State Private Prison Facilities: The department continues to ramp up contracts with out of state private prison facilities. The Governor's budget includes a new contract for 3,000 beds at a private prison in Eloy, Arizona. This item also includes additional staffing to support the out of state contracts, including increased costs related to the management of the contracts, transportation of inmates and property, and pre-transfer screening process.	-571	14,514	-8,804	-3,516	-9,375	10,998	Approve as budgeted.

Attachment A

	Governor's Budget		May Revision		Total		
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	
Ratio Staff for Out of State Beds: This item provides the department with the correctional counselor staffing and other support staffing that is inmate population-driven and needed to support the out-of-state contracts.	0	3,928	-349	0	-349	3,928	Approve as budgeted.
Contract Beds Adjustment: This adjustment takes into account the difference between the inmate population and the contract beds activation schedules. Since there were delays in implementing some of the contracts in the current year there is increased institution expenditures in the current year. In the budget year additional contracts are expected to activate, thereby reducing institution expenditures.	-3,247	-67,415	5,341	-10,549	2,094	-77,964	Approve as budgeted.
Ratio Staff for Leased Jail Beds: The process for making this adjustment has been revised and is no longer needed.	214	0	-214	0	0	0	Approve as budgeted.
General Operating Expenses for Leased Jail Beds: The process for making this adjustment has been revised and is no longer needed.	236	0	-236	0	0	0	Approve as budgeted.
Health Care Operating Expenses for Leased Jail Beds: The process for making this adjustment has been revised and is no longer needed.	110	0	-110	0	0	0	Approve as budgeted.

Attachment A

	Governor's Budget		May Revision		Total		
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	
Leased Jail Bed ADP Adjustment: This adjustment takes into account the difference between the inmate population and the leased jail beds activation schedule. The average daily population in the contract jail beds is less than the number of beds under contract for the current year resulting in increased institution expenditures in the current year.	1,542	0	4,359	0	5,901	0	Approve as budgeted.
Contract Subtotal	-1,288	-35,140	-413	-13,768	-1,701	-48,908	
Subtotal Adult Facilities	5,320	45,685	-38,921	-113,517	-33,601	-67,832	
Adult Parole							
Felon (70:1) Supervision: The felon parole population is projected to decline in the budget year, thereby reducing the funding needed for parole supervision. However, offsetting this decline in population is an upward adjustment in the budget year to account for the high-control parolees-at-large that had previously been inadvertently excluded when calculating the funding needed to supervise felon parolees.	8,599	17,354	1,418	-6,082	10,017	11,272	Approve as budgeted.

Attachment A

	Governor's Budget		May Revision		Total		
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	
2nd Striker (40:1) Supervision: The 2nd striker parole population is projected to decline in the current year and budget year, thereby reducing the funding needed for parole supervision.	1,366	1,575	-7,719	-13,156	-6,353	-11,581	Approve as budgeted.
Enhanced Outpatient Program (40:1) Supervision: The EOP parole population is projected to decline in the current year and budget year, thereby reducing the funding needed for parole supervision. <i>This item only funds parole supervision and does not fund other services to support this population.</i>	976	1,393	-365	-242	611	1,151	Approve as budgeted.
Sex Offender (40:1, passive GPS) Supervision: The non-high risk sex offender population is projected to decline slightly in the current and budget years. This funding includes the cost of the GPS unit, which is \$7.50 per unit per day.	0	0	-4,459	-482	-4,459	-482	Approve as budgeted.

Attachment A

	Governor's Budget		May Revision		Total		
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	
High Risk Sex Offender (20:1, active GPS) Supervision: The high-risk sex offender population is projected to decline in the current and budget years. This funding includes the cost of the GPS unit, which is \$11 per unit per day. Starting in the budget year \$500 per parolee is provided for two polygraph tests annually and \$14,000 per parolee for treatment services.	0	0	-5,655	-11,172	-5,655	-11,172	Approve as budgeted.
Non-Felon (63.4:1) Supervision: The non-felon parole population is projected to decline slightly in the current and budget years, thereby reducing the funding needed for parole supervision.	-183	-347	-97	-514	-280	-861	Approve as budgeted.
US ICE Pending Deportation (500:1): The foreign national parole population pending deportation is projected to increase slightly in the current and budget years, thereby increasing funding needed for parole case monitoring.	371	253	172	470	543	723	Approve as budgeted.
US ICE Deported (1,200:1 - clerical): Parole also does minimal monitoring of cases that have been deported. These cases are expected to be slightly fewer in the current and budget years.	-21	-1	-35	-76	-56	-77	Approve as budgeted.

Attachment A

	Governor's Budget		May Revision		Total		
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	
Parole Service Center Supervision (57.1:1): A parole officer is assigned to parolees living in parole service centers and restitution centers, which are residential centers that provide wrap around treatment services. The average daily population in these centers is slightly less in the current year.	-271	-59	0	59	-271	0	Approve as budgeted.
Parole Service Center Contracts: This parole service centers and restitution centers provide parole with residential services that provide wrap around treatment services. The department indicates that it has not been able to contract for the full 1,140 beds due to instability in the funding and lack of local support for siting these facilities.	-6,353	0	0	0	-6,353	0	Approve as budgeted.

Attachment A

	Governor's Budget		May Revision		Total		
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	
Parole Outpatient Clinics - EOP Services: This item provides ratio driven clinical staff and funding for medication and treatment services for the EOP parole population. <i>The staffing for the EOP population is less than the CCCMS population, because the assumption is that the offender will be transferred to county care after 90 days. The pharmaceutical budget is also no different from the CCCMS, which is not consistent with actual costs related to this population. This does not include the \$6 million in additional funding provided in the budget to support wrap-around services for this population.</i>	644	946	113	190	757	1,136	Approve as budgeted.
Parole Outpatient Clinics - CCCMS Services: This item provides ratio driven clinical staff and funding for medication and treatment services for the CCCMS parole population. The population is expected to be slightly lower than previously projected for the budget year.	2,168	4,865	37	-897	2,205	3,968	Approve as budgeted.

Attachment A

	Governor's Budget		May Revision		Total		
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	
Parole Clerical Adjustment: Funding for the supervision also includes ratio positions for clerical support. However, given the significant shortage in base staffing for clerical support a reduction in ratio-driven positions is added back to avoid exacerbating existing clerical support.	194	95	0	0	194	95	Approve as budgeted.
Parole Leased Jail Bed Adjustment: This item adjusts the contract payments to three county jails (Sacramento, Alameda, and San Francisco) for holding parolees. The current year adjustment is due to low utilization of the San Francisco contract. <i>The Governor's May Revision proposal would eliminate these contracts.</i>	0	1,913	-7,636	0	-7,636	1,913	Approve as budgeted.
Parole Subtotal	7,490	27,987	-24,226	-31,902	-16,736	-3,915	
Board of Parole Hearings							
Valdivia Case Records: Additional staff are needed to conduct parole revocation hearings within the timeframe and requirements of the <i>Valdivia</i> lawsuit. The number of parole revocation hearings are expected to be lower than previously projected.	1,223	2,291	445	-1,050	1,668	1,241	Approve as budgeted.
Board of Parole Hearing Subtotal	1,223	2,291	445	-1,050	1,668	1,241	

Attachment A

	Governor's Budget		May Revision		Total		
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	
Other Adult							
Personnel Services Specialists: For every 180 new CDCR positions added, CDCR requests 1 Personnel Services Specialist I to handle personnel-related workload. <i>This calculation does not include the positions added by the Receiver.</i>	0	0	129	103	129	103	Approve as budgeted.
Health Records Technicians: For every 1 percent growth in CDCR's inmate population, CDCR requests 1.15 Health Record Technicians to address projected additional health records workload. <i>This item is a placeholder and is expected to be directly impacted by the Receiver.</i>	-81	29	0	0	-81	29	Approve as budgeted.
Move Female Civil Addicts from CRC to CIW: All female civil addicts housed at CRC have been transferred to CIW to provide additional space at CRC for male inmates and civil addicts and to consolidate all female offenders at female-only institutions. This provides CIW with the necessary staff to provide additional urinalysis and other services	0	734	0	0	0	734	Approve as budgeted.

Attachment A

	Governor's Budget		May Revision		Total		
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	
Parole Reform Technical Adjustment: This technical adjustment is made to add back the savings projected in the 2007 Budget Act related to the implementation of the 13-month clean time parole policy. This adjustment is needed to avoid reducing CDCR's budget twice for the same action because the impact of this policy change is now reflected in the lower population trends.	0	0	31,205	58,264	31,205	58,264	Approve as budgeted.
Other Adult Subtotal	-81	763	31,334	58,367	31,253	59,130	
Adult Workload Total*	13,952	76,726	-31,368	-88,102	-17,416	-11,376	
* This total is what the administration refers to as the fiscal impact of population growth or changes to existing mix of population.							
Adult Policy Adjustment Category							
Drug Treatment Furlough: This program enables certain non-violent, non-serious inmates to transfer to residential drug treatment 120 days prior to their release date to accelerate treatment and reintegration back into the community. The department has been budgeted for 426 beds but has increased utilization of this program and plans on funding 500 beds in the budget year. The department's current average daily population in drug treatment furlough is 489.	0	0	0	236	0	236	Approve as budgeted.

Attachment A

	Governor's Budget		May Revision		Total		
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	
In Custody Drug Treatment Program: This program was ordered by the <i>Valdivia</i> lawsuit to provide 1,800 beds in the community to serve as alternative sanctions for parole violators. The population estimate assumes that 85 percent of these will be established in the budget year. The program is designed in three phases. Phase I is 60 days in custody, phase II is an additional 30 days in custody and phase III is an additional 60 days in custody. The department assumes 30 percent of offenders will need phase III services. This funding is net of the institution savings from not sending these inmates back to prison.	0	0	6,465	8,826	6,465	8,826	Approve less \$6,826 in the BY to correct a technical error.
Northern California Re-Entry Facility: This funding is for the pre-activation and activation of the first re-entry facility located at the old Northern California Women's Facility in San Joaquin County. The facility will be activated in May 2009 and the first inmates are expected to arrive in July 2009.	727	1,131	-646	11,701	81	12,832	Approve as budgeted.
Northern California Re-entry Facility: This funding is from the Inmate Welfare Fund and will support canteen operations at the new reentry facility.	0	0	0	24	0	24	Approve as budgeted.

Attachment A

	Governor's Budget		May Revision		Total		
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	
San Francisco Re-Entry Project: The department is planning to contract with San Francisco County to target 48 non-violent state prison inmates to participate in re-entry programming in the San Francisco County Jail in San Bruno. This project would also include the provision of re-entry programming and support once the inmates are paroled.	0	2,516	0	-129	0	2,387	Approve as budgeted.
Female Reform Beds: The department is planning on implementing Phase II of a project to place up to 2,000 low-level female offenders in smaller community correctional centers closer to their homes. The department is also planning a 150-bed expansion to the existing Female Offender Treatment and Employment Program and activating 575 multi-service center beds for female parolees. The department is also planning to contract for 750 beds in Sober Living Environments, which are smaller facilities that would provide a step-down environment for female parolees that complete residential drug treatment.	2,927	30,407	-2,664	-505	263	29,902	Approve as budgeted.
Misc. Subtotal	3,654	34,054	3,155	20,153	6,809	54,207	
Local Assistance							

Attachment A

	Governor's Budget		May Revision		Total		
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	
Daily Jail Rate Adjustment - The Governor's May Revision proposes to keep the daily jail rate at its current level. The Governor had included an increase in the January budget proposal. This adjustment will provide \$44 million to reimburse locals for parolee detention. <i>These funds would be significantly reduced if the Governor's summary parole proposal was implemented.</i>	0	0	0	-2,691	0	-2,691	Approve as budgeted.
County Charges. Funding to reimburse various county claims for medical, security, revocation hearings, and daily jail bed expenditures. This increase includes \$1.3 million in one-time funding to pay claims expected in the current year.	0	0	0	2,108	0	2,108	Approve as budgeted.
Local Assistance Subtotal	0	0	0	-583	0	-583	
Adult General Fund Total	17,606	110,780	-28,213	-68,532	-10,607	42,248	